Subsequent to enactment of Chapter llt-C of the Reserve Bank of India Act, there have been several representations from Associations of Shroffs and financiers stating that enforcement of the provisions of Chapter III-C would force them to close down their business. Seven;! unincorporated bodies have also filed writ petition$_s$ in the various High Courts challenging the constitutional validity of ire provisions of the said Chapter. Gve. 50 such petitions filed in the Delhi High Court have been dismissed in December 1985 and the constitutional validity of Chapter III-C $_0$t the Reserve Bank of India Act has been upheld by the Delhi High Court. Some of the«e petitioners have gone in for appeal before the Supreme Court and the matter is *stih-judice.*

Trade deficit

112. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COM-MERCE be pleased to state-.

(a) whether it is a fact thattbe country, is likely ic

(b) if so, to what extent the country will have to draw down on its scarce foreign exchange reserves; and

(c) what is its likely impact on the industrial growth and the inflationary trends in the country and whether rupee devaluation i$_s$ anticipated a$_s$ a result thereof?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL AND SUPPLIES (SHRI P. SHTV SHANKER): (a) It is difficult to precise to state the 1rade deficit with which we will end the financial year 1985-86. However, according to rough estimates the deficit this year is likely to be more than last year.

(b) and (c) Movement in foreign exchange reserves, industrial growth price situation and value of rupee depend on tnanj It is therefore difficult to indicate tbi extent to which the trade de- litii would influence them.

Average Trade deficit

113. SHR1 KRISHNA KUMAR ftlRLA: Will the Minister of COM-MERCE be pleased to state:

(a) what i$_s$ the average trade deficit since 19*1.-82 till 1984-85 and what is the present trend of Indian trend and the likely deficit during 1985-86;

(b) to what extent the country has been able to raise commercial loans in the global financial market and how do Government view it in relation to the export performance;

(c) in which field, according to Gov-ernment, India'$_s$ export performance hflS been lacking and do Government consider the release of limited foreign exchange to the manufacturersjexporters for undertaking during the year l'->85-86; export campaigns and organising market research abroad as one of the causes for unsatisfactory export . for ma nee; and

(d) what remedial measures are con-templated by Government to step up ox-ports and to find out new port markets so a$_s$ to augment couairy's resources during the Seventh Plan period?

THE MINISTER OF COMMENCE AND FOOD AND CIVIL SUP-PLIES (SHRI P. SH1V SHANKSR): (a) The annual average trade deficit for 1981-82 to 1984-85 is Rs. 5657.77 axjtres.

According to the provisional <iata available, the trade deficit during April-September, 1985 i$_s$ Rs. 4124.0 crores as compared to the deficit of Rs. 2290.6 orores during April-September. 19*4. According to rough estimates the d«£cit thi$_s$ year i$_s$ likely to be more th* year.